

SECRET

TO	NAME AND ADDRESS	DATE	INITIALS
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Approved For Release 2009/08/28 : CIA-RDP80-01060A000100010001-9

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FROM: NAME, ADDRESS AND PHONE NO.

DATE _____

President, GEHA, Inc. 5E47

CONFIDENTIAL

SECRET

FORM NO. 2-61 **237** Use previous editions

(40)

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25 APR 1968

MEMORANDUM FOR: Chairman and Members of the Board
Government Employees' Health Association, Inc.

SUBJECT : Review of the Hospitalization Insurance Contract

1. Attached is a copy of a letter from Mutual of Omaha. That letter sets forth possible benefit changes (with costs) that could be incorporated in our insurance contract effective 1 January 1969. Also attached are four additional papers: The one identified as "Current Picture" lists for your information the current costs of the Association Benefit Plan and our two principal competitors. Also compared are specific benefits. The second presents the benefit changes and costs submitted in the letter from Mutual of Omaha. The third presents an overall picture if the best features of the possible benefit changes were adopted. The fourth paper lists current rates for semi-private rooms in the Washington Metropolitan Area.

2. As in past years, we will have until 30 June 1968 to submit to the Civil Service Commission any proposals for changes in benefits and until 31 August 1968, proposed changes in rates. In alerting us to this time table, the Civil Service Commission letter also includes some guidelines which I think are relevant to your present review.

a. The Commission plans an open season during the period 10 November to 28 November 1969. No open season is scheduled for 1968. The effective date of enrollment changes made during the open season is the first day of the first pay period beginning on or after 1 January 1970.

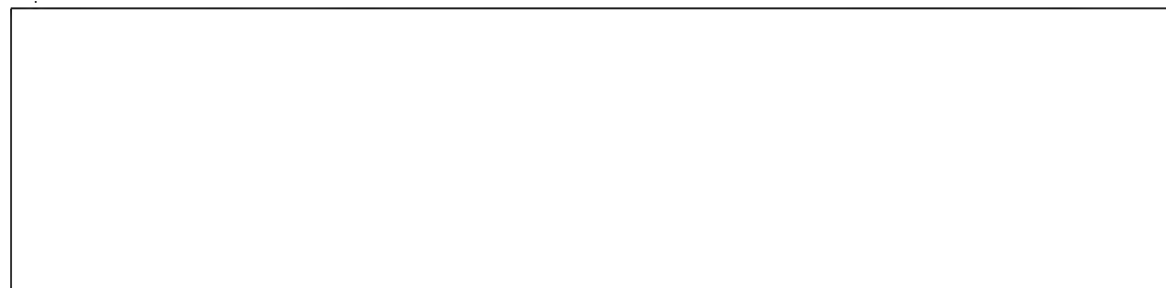
b. The letter urges that we limit proposals for rate increases to the absolute minimum necessary to maintain (or achieve) a sound financial position throughout 1969.

c. With respect to changes in benefits, the letter notes that in the absence of an open season, the Commission prefers that proposals in changes in benefits for 1969 be confined to essential perfecting changes. The Commission does not favor reductions in benefits when there is no open season opportunity to change plans; nor does it favor increases in benefits which entail significant additional premium costs.

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3. We shall be contacting you soon to set up a date for a Board meeting some time in early June. If you have any questions on the attachments, please call me.



President

Atts

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Mutual
OF OMAHA



your good neighbor

MUTUAL OF OMAHA INSURANCE COMPANY

V. J. SKUTT
CHAIRMAN OF THE BOARD
D. D. ULFERS
PRESIDENT

HOME OFFICE OMAHA, NEBRASKA

WASHINGTON, D.C., REGIONAL GROUP OFFICE
SUITE 1208, 1750 PENNSYLVANIA AVE., N.W.
WASHINGTON, D.C. 20006
298-8084

NORMAN C. CONWAY
MANAGER

April 5, 1968

President
Government Employees Health Association
Post Office Box 463
Washington, D.C. 20044

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Group Policy GMG 1799

Dear

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In compliance with your request, the Home Office has completed an intensive review of your health benefits program with the thought in mind of suggesting proposed benefit changes for the contract period beginning January 1, 1969.

Upper most in our minds, while conducting this review, was your admonition to design one of the best Government programs and still maintain an attractive and competitive premium. We, therefore, felt that a complete claim analysis for the last two contract years was a necessity before recommending any benefit changes. Copies of these analyses for the contract years 1-1-66 to 1-1-67 and 1-1-67 to 1-1-68 are attached for your review.

The two analyses are valuable for comparison purposes, for example; in the 66-67 contract year the program paid approximately 97% of the total medical care cost of the member while in the 67-68 contract year the percentage dropped to approximately 96%. This percentage drop is directly attributable to the constantly increasing cost of hospital-medical care. Even with your increased benefits for the current contract year, a considerable percentage drop may be expected for the 68-69 contract year. This increase in medical care cost is easily discernible by comparing the available cost per hospital day in 66-67 of \$47.39 to the \$54.29 figure for the 67-68 year or an increase of approximately 20%.

Based upon our claims analysis, we suggest that the first item to be considered should be the hospital room and board benefit. Your contract currently pays up to \$40 per day for 90 days for hospital

THE GREATEST NAME IN HEALTH INSURANCE

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room and board with unlimited miscellaneous. The 90 days would seem to be more than adequate since the average length of hospital stay has dropped from 6.77 days in 66-67 to 6.21 days in 67-68. Since hospital room and board charges are increasing at a rate of about 10% per year, you may wish to consider increasing the room and board benefit for the 1969 contract year from \$40 per day to \$50 per day or an increase of approximately 20%. The monthly brochure rate to add this benefit to your contract would be \$1.06 for a single member and \$2.76 for a member and family. An alternative would be to increase this benefit from \$40 to \$45 per day at a monthly brochure rate of \$.58 for a single member and \$1.51 for a member and family.

The basic surgical schedule now used by your program is the 1957 California Relative Value Schedule with a point value of 5. This schedule has been updated for specific procedures on a number of occasions, so that it is no longer a true 1957 California Relative Value Schedule. There is a newer California Relative Value Schedule, specifically, the 1964 California Relative Value Schedule which provides greater benefits in many surgical areas and superior anesthesia benefits. Using the same 5 point unit value this schedule could be substituted for your present 1957 schedule at a monthly brochure rate of \$.28 for a single member and \$.86 for a member and family.

In regard to surgery, however, it occurs to me that the most satisfactory approach would be the one employed by your Association in past years. Your claim people have, in the past and I assume they still do, kept records of specific surgical procedures that have caused the most problems with the members and requested a rate for increasing those specified procedures. Not only would this be a more economical approach, but it would develop a schedule tailor made to the specific needs of your members. If such a list of procedures has been maintained this past year, we would be pleased to review it and give you a quotation for increasing these specific areas.

Maternity has traditionally been an area of controversy in most group contracts. In many cases the benefit allowed pays less of the total claim than for any other medical procedure yet it is the one area that can be planned for in advance. In 67-68 maternity and related procedures amounted to 7.1% of all of your claims.

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Your contract currently provides a benefit of \$30 a day for 8 days of hospital confinement. To increase this benefit to \$35 per day for 8 days would require a monthly brochure rate for member and family of \$.21. To go to \$40 for 8 days would require a monthly brochure rate for member and family of \$.43. To make a corresponding increase in the obstetrical benefit from its current level of \$100-\$150-\$50 to \$200-\$400-\$100 would require a monthly brochure rate for member and family of \$.85.

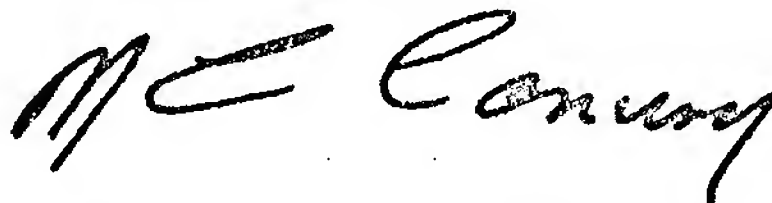
The one area not covered in our claims study is in-hospital medical, since this benefit is now provided under the major medical portion of the contract only. This coverage is as might be expected expensive, because of the high utilization. The cautious approach would be to add a \$5 in-hospital medical benefit at a monthly brochure rate of \$.35 for the single member and \$.83 for the member and family. Alternatives would be a benefit of \$18 for the first day, \$12 for the second day and \$6 for the balance at a monthly brochure rate of \$.53 for a single member and \$1.27 for a member and family or a benefit of \$12 for the first day, \$8 for the second day and \$5 for the balance at a monthly brochure rate of \$.43 for a single member and \$1.02 for a member and family.

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I believe you will agree that we have taken a conservative approach to the changes for two reasons, first your wish to maintain a competitive premium and secondly because the statistical studies show you now have a fine contract.

If there are any areas we did not cover which you feel should have been covered, please do not hesitate to contact me.

Sincerely,



Norman C. Conway
Regional Manager

NCC:sak
Enc.

GMG 1799

1-1-66 TO 1-1-67

STATISTICAL ANALYSIS BY CLAIMANT CODE
CLAIM DOLLARS DISTRIBUTION

	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>TOTAL</u>
Hospital Room-Board	\$ 122,818	\$ 71,443	\$ 8,920	\$ 162,075	\$ 102,984	\$ 468,240
Hospital Miscellaneous	142,065	71,712	11,086	165,386	127,880	518,129
Hospital Outpatient	13,080	1,231	4,111	10,809	3,196	32,427
Surgical	74,635	49,503	3,823	99,922	110,905	338,788
Maternity	--	14,226	--	177,233	--	191,459
X-Ray-Lab	20,977	11,642	934	21,713	12,367	67,633
Outside Anesthetist	4,390	2,837	205	7,479	7,725	22,636
Miscellaneous Charges	29,188	14,424	2,078	29,156	46,359	121,205
 Base Plan	 \$ 407,153	 \$ 237,018	 \$ 31,157	 \$ 673,773	 \$ 411,416	 \$1,760,517
Major Medical	128,994	89,611	10,189	171,139	113,623	513,556
Total	536,147	326,629	41,346	844,912	525,039	2,274,073
 Total Paid	 \$ 516,490	 \$ 319,630	 \$ 39,877	 \$ 818,737	 \$ 517,954	 \$2,212,688*
Percent Paid	96.3%	97.9%	96.4%	96.9%	98.6%	97.3%
 Difference **	 \$ 19,657	 \$ 6,999	 \$ 1,469	 \$ 26,175	 \$ 7,085	 \$ 61,385

* Total includesHigh Option Paid \$2,196,835 and
Low Option Paid \$ 15,853

** Dollar amount difference due to coordination of benefits,
uncashed drafts, and/or adjustments on claims previously
paid.

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CMG 1799

1-1-66 TO 1-1-67

STATISTICAL ANALYSIS BY CLAIMANT CODE
HOSPITAL COSTS AND UTILIZATION

	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>TOTAL</u>
Hospital Room-Board	\$ 122,818	\$ 71,443	\$ 8,920	\$ 162,075	\$ 102,984	\$ 468,240
Hospital Miscellaneous	142,065	71,712	11,086	165,386	127,880	518,129
Hospital Admissions	586	352	38	947	1,153	3,076
Hospital Days	5,284	3,103	366	6,949	5,111	20,813
Average R-B/Day	\$ 23.24	\$ 23.02	\$ 24.37	\$ 23.32	\$ 20.15	\$ 22.50
Average Misc./Day	\$ 26.89	\$ 23.11	\$ 30.29	\$ 23.80	\$ 25.02	\$ 24.89
Average Cost/Day	\$ 50.13	\$ 46.13	\$ 54.66	\$ 47.12	\$ 45.17	\$ 47.39
Average Length of Stay	9.02 days	8.82 days	9.63 days	7.34 days	4.43 days	6.77 days
Average Cost/Admission	\$ 452.17	\$ 406.87	\$ 526.38	\$ 345.86	\$ 200.10	\$ 320.83
Base Plan Paid	\$ 407,153	\$ 237,018	\$ 31,157	\$ 673,773	\$ 411,416	\$ 1,760,517
Base Plan Claims	2,721	1,580	161	4,139	4,994	13,595
Avg. Cost/Claims	\$ 149.63	\$ 150.01	\$ 193.52	\$ 162.79	\$ 82.38	\$ 129.50

1-1-66 TO 1-1-67

STATISTICAL ANALYSIS OF
CLAIM DOLLARS & HOSPITAL UTILIZATION
BY CAUSE OF DISABILITY

<u>DISABILITY</u>	<u>DIS.</u> <u>CODE</u>	<u>ADMITS</u>	<u>% OF</u> <u>TOTAL</u>	<u>HOSP.</u> <u>DAYS</u>	<u>% OF</u> <u>TOTAL</u>	<u>TOTAL PAID</u>	<u>% OF</u> <u>TOTAL</u>
<u>NON-SURGICAL NON-MATERNITY</u>							
Tuberculosis	1	--	-- %	--	-- %	\$ 408.70	-- %
Neoplasms, malignant	2	40	.9	585	1.8	39,998.31	1.8
Neoplasms, benign	3	86	1.9	306	.9	22,261.16	1.0
Endocrine & Metabolic	4	73	1.6	623	1.9	44,146.17	2.0
Mental	5	203	4.5	6,449	19.6	221,047.35	10.0
Nervous & Sense	6	41	.9	214	.7	16,999.65	.8
Heart Disease	7	107	2.4	1,593	4.9	91,158.58	4.1
Circulatory	8	91	2.0	870	2.7	64,542.85	2.9
Pneumonia, Bronchitis, etc.	9	141	3.1	875	2.7	54,517.29	2.5
Respiratory	10	44	1.0	238	.7	34,392.84	1.6
Stomach, Duodenum	11	105	2.3	655	2.0	47,838.23	2.2
Gallbladder	12	24	.5	213	.7	16,867.61	.8
Digestive	13	40	.9	368	1.1	28,583.79	1.3
Genitourinary - male	14	161	3.6	739	2.3	60,577.10	2.7
Reproductive - female	15	79	1.8	390	1.2	31,816.08	1.4
Disease of bones	16	95	2.1	1,036	3.2	68,906.33	3.1
Injuries	17	181	4.0	997	3.1	86,914.13	3.9
All other NON-SURGICAL	18	612	13.5	3,490	10.7	215,286.01	9.7
SUB-TOTAL		2,123	47.0%	19,641	60.2%	\$1,146,262.18	51.8%
<u>SURGICAL NON-MATERNITY</u>							
T & A	31	295	6.5%	442	1.4%	\$ 58,559.17	2.7%
Thoracic	32	7	.2	40	.1	7,288.92	.3
Mastectomy	33	4	.1	42	.1	2,957.40	.1
Hernia	34	95	2.1	618	1.9	41,282.57	1.9
Appendectomy	35	61	1.4	379	1.2	30,083.47	1.4
Other Abdominal	36	15	.3	238	.7	24,319.34	1.1
Hemorrhoidectomy	37	34	.7	266	.8	17,449.19	.8
Cholecystectomy	38	26	.6	241	.7	24,411.72	1.1
Prostatectomy	39	2	--	30	.1	2,936.21	.1
Cystoscopy	40	64	1.4	299	.9	30,755.28	1.4
D & C non-maternity	41	129	2.9	353	1.1	37,730.90	1.7
Hysterectomy	42	75	1.7	740	2.3	62,082.77	2.8
Fractures, Dislocations	43	78	1.7	867	2.7	68,853.89	3.1
Neoplasm, excision	44	113	2.5	359	1.1	62,546.87	2.8
All other SURGERY	45	450	10.0	3,859	11.9	399,999.52	18.1
SUB-TOTAL		1,448	32.1%	8,773	27.0%	\$ 871,256.22	39.4%

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STATISTICAL ANALYSIS OFCLAIM DOLLARS & HOSPITAL UTILIZATIONBY CAUSE OF DISABILITY (Cont'd)

<u>DISABILITY</u>	<u>DIS.</u> <u>CODE</u>	<u>ADMITS</u>	<u>% OF</u> <u>TOTAL</u>	<u>HOSP.</u> <u>DAYS</u>	<u>% OF</u> <u>TOTAL</u>	<u>TOTAL PAID</u>	<u>% OF</u> <u>TOTAL</u>
<u>MATERNITY</u>							
Normal Delivery	61	806	17.9%	3,434	10.6%	\$ 153,930.96	7.0%
Cesarian	62	46	1.0	405	1.2	23,640.98	1.1
Ectopic Pregnancy	63	3	.1	17	.1	1,368.00	--
Miscarriage	64	44	1.0	115	.4	8,013.61	.4
Other Complications	65	6	.1	30	.1	1,334.26	--
Other (false labor)	66	30	.7	80	.2	4,178.04	.2
SUB-TOTAL		935	20.8%	4,081	12.6%	\$ 192,465.85	8.7%
TOTAL		4,506	99.9%	32,495	99.8%	\$2,209,984.25	99.9%
<u>MIS-CODED</u>		8	.1%	58	.2%	\$ 2,704.87	.1%
<u>GRAND TOTAL</u>		4,514	100.0%	32,543	100.0%	\$2,212,689.12	100.0%

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GMG 1799

1-1-67 TO 1-1-68

STATISTICAL ANALYSIS BY CLAIMANT CODE
CLAIM DOLLARS DISTRIBUTION

	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>TOTAL</u>
Hospital Room-Board	\$ 142,771	\$ 94,843	\$ 14,622	\$ 159,917	\$ 92,087	\$ 504,240
Hospital Miscellaneous	152,438	75,553	14,109	162,101	115,044	519,245
Hospital Outpatient	8,971	3,667	3,748	12,518	7,683	36,587
Surgical	77,296	41,460	6,624	103,726	110,707	339,813
Maternity	--	8,373	--	151,680	--	160,053
X-Ray-Lab	34,933	21,829	2,096	38,978	21,828	119,664
Outside Anesthetist	3,964	2,782	320	7,516	7,062	21,644
Miscellaneous Charges	31,153	23,202	1,958	29,172	47,397	132,882
Medicare	923	2,320	112	40	--	3,395
Base Plan	\$ 452,449	\$ 274,029	\$ 43,589	\$ 665,648	\$ 401,808	\$1,837,523
Major Medical	140,072	106,821	13,340	172,307	134,504	567,044
Total	592,521	380,850	56,929	837,955	536,312	2,404,567
Total Paid	\$ 568,680	\$ 348,451	\$ 47,586	\$ 814,284	\$ 526,567	\$2,305,568*
Percent Paid	96.0%	92.0%	83.6%	97.2%	98.2%	95.9%
Difference **	\$ 23,841	\$ 32,399	\$ 9,343	\$ 23,671	\$ 9,745	\$ 98,999

* Total includesHigh Option Paid \$2,303,580 and
Low Option Paid \$ 1,988

** Dollar amount difference due to coordination of benefits,
uncashed drafts, and/or adjustments on claims previously
paid.

GMG 1799

1-1-67 TO 1-1-68

STATISTICAL ANALYSIS BY CLAIMANT CODE
HOSPITAL COSTS AND UTILIZATION

	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>TOTAL</u>
Hospital Room-Board	\$ 142,771	\$ 94,843	\$ 14,622	\$ 159,917	\$ 92,087	\$ 504,240
Hospital Miscellaneous	152,438	75,553	14,109	162,101	115,044	519,245
Hospital Admissions	612	351	52	952	1,068	3,035
Hospital Days	5,172	3,407	560	6,020	3,694	18,853
Average R-B/Day	\$ 27.60	\$ 27.84	\$ 26.11	\$ 26.56	\$ 24.93	\$ 26.75
Average Misc./Day	\$ 29.47	\$ 21.18	\$ 25.19	\$ 26.93	\$ 31.14	\$ 27.54
Average Cost/Day	\$ 57.07	\$ 49.02	\$ 51.30	\$ 53.49	\$ 56.07	\$ 54.29
Average Length of Stay	8.45 days	9.71 days	10.77 days	6.32 days	3.46 days	6.21 days
Average Cost/Admission	\$ 482.24	\$ 475.98	\$ 552.50	\$ 338.06	\$ 194.00	\$ 337.14
Base Plan Paid	\$ 452,449	\$ 274,029	\$ 43,589	\$ 665,648	\$ 401,808	\$1,837,523
Base Plan Claims	3,015	1,680	171	4,302	5,260	14,428
Avg. Cost/Claims	\$ 150.07	\$ 163.11	\$ 254.91	\$ 154.73	\$ 93.40	\$ 127.36

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1-1-67 TO 1-1-68

STATISTICAL ANALYSIS OF
CLAIM DOLLARS & HOSPITAL UTILIZATION
BY CAUSE OF DISABILITY

<u>DISABILITY</u>	<u>DIS.</u> <u>CODE</u>	<u>ADMITS</u>	<u>% OF</u> <u>TOTAL</u>	<u>HOSP.</u> <u>DAYS</u>	<u>% OF</u> <u>TOTAL</u>	<u>TOTAL PAID</u>	<u>% OF</u> <u>TOTAL</u>
<u>NON-SURGICAL NON-MATERNITY</u>							
Tuberculosis	1	--	-- %	--	-- %	\$ 739.42	-- %
Neoplasms, malignant	2	35	.9	488	2.2	33,141.73	1.4
Neoplasms, benign	3	46	1.2	179	.8	15,085.44	.7
Endocrine & Metabolic	4	42	1.1	317	1.4	42,439.54	1.8
Mental	5	100	2.7	2,020	9.3	240,859.81	10.4
Nervous & Sense	6	26	.7	156	.7	16,736.75	.7
Heart Disease	7	68	1.8	945	4.3	84,996.46	3.7
Circulatory	8	72	1.9	496	2.2	51,756.20	2.2
Pneumonia, Bronchitis, etc.	9	89	2.4	437	2.0	42,237.82	1.8
Respiratory	10	35	.9	279	1.3	40,653.49	1.8
Stomach, Duodenum	11	88	2.3	434	2.0	45,802.46	2.0
Gallbladder	12	22	.6	114	.5	10,937.93	.5
Digestive	13	35	.9	289	1.3	22,061.95	1.0
Genitourinary - male	14	118	3.1	466	2.1	53,583.31	2.3
Reproductive - female	15	72	1.9	272	1.2	29,943.52	1.3
Disease of bones	16	79	2.1	582	2.6	57,703.13	2.5
Injuries	17	120	3.2	666	3.0	93,603.44	4.1
All other NON-SURGICAL	18	671	17.7	3,539	16.2	322,451.29	14.1
SUB-TOTAL		1,718	45.4%	11,679	53.1%	\$1,204,733.69	52.3%
<u>SURGICAL NON-MATERNITY</u>							
T & A	31	269	7.1%	395	1.8%	\$ 61,513.13	2.7%
Thoracic	32	4	.1	11	--	3,070.70	.1
Mastectomy	33	2	.1	17	.1	1,888.89	.1
Hernia	34	62	1.6	326	1.5	35,945.51	1.5
Appendectomy	35	40	1.1	188	.8	22,407.15	1.0
Other Abdominal	36	7	.2	88	.4	6,564.35	.3
Hemorrhoidectomy	37	20	.5	158	.7	11,924.43	.5
Cholecystectomy	38	31	.8	300	1.4	31,842.15	1.4
Prostatectomy	39	1	--	13	.1	1,645.35	.1
Cystoscopy	40	59	1.6	294	1.3	33,732.24	1.5
D & C non-maternity	41	142	3.8	388	1.8	50,169.49	2.1
Hysterectomy	42	66	1.7	567	2.6	68,053.02	2.9
Fractures, Dislocations	43	81	2.1	797	3.6	75,713.59	3.3
Neoplasm, excision	44	109	2.9	562	2.6	80,148.48	3.5
All other SURGERY	45	408	10.8	2,913	13.2	451,440.97	19.5
SUB-TOTAL		1,301	34.4%	7,017	31.9%	\$ 936,059.45	40.5%

STATISTICAL ANALYSIS OFCLAIM DOLLARS & HOSPITAL UTILIZATIONBY CAUSE OF DISABILITY (Cont'd)

<u>DISABILITY</u>	<u>DIS.</u> <u>CODE</u>	<u>ADMITS</u>	<u>% OF</u> <u>TOTAL</u>	<u>HOSP.</u> <u>DAYS</u>	<u>% OF</u> <u>TOTAL</u>	<u>TOTAL PAID</u>	<u>% OF</u> <u>TOTAL</u>
<u>MATERNITY</u>							
Normal Delivery	61	669	17.7%	2,795	12.7%	\$ 128,531.67	5.6%
Cesarian	62	41	1.1	353	1.6	24,199.85	1.1
Ectopic Pregnancy	63	1	--	2	--	416.60	--
Miscarriage	64	24	.6	62	.3	4,074.47	.2
Other Complications	65	8	.2	39	.2	2,249.02	.1
Other (false labor)	66	18	.5	59	.2	2,775.77	.1
SUB-TOTAL		761	20.1%	3,310	15.0%	\$ 162,247.38	7.1%
TOTAL		3,780	99.9%	22,006	100.0%	\$2,303,040.52	99.9%
<u>MIS-CODED</u>		5	.1%	8	-- %	\$ 2,527.95	.1%
<u>GRAND TOTAL</u>		3,785	100.0%	22,014	100.0%	\$2,305,568.47	100.0%

Current Costs	Aetna		Blue Cross - Blue Shield		Assoc. Ben. Plan	
	Family	Self Only	Family	Self Only	Family	Self Only
Monthly						
Employee	\$20.15	\$8.06	\$20.58	\$8.43	\$18.07	\$5.98
Government	8.88	3.64	8.88	3.64	8.88	3.64
Bi-Weekly						
Employee	\$ 9.30	\$3.72	\$ 9.50	\$3.89	\$ 8.34	\$2.76
Government	4.10	1.68	4.10	1.68	4.10	1.68
<u>Benefits</u>						
Hospital R & B	100% of first \$1000 each Cal. Yr. plus 80% of excess (Semi-Pvt only)		Full Coverage for up to 365 days per confinement (in member hospital) 80% thereafter (Semi-Pvt only)		Up to \$40 per day for up to 90 days. 80% of charges in excess of \$40 for semi-pvt. 80% of semi-pvt. cost after 90th day of confinement	
Hospital Misc.	80%		Full Coverage - 365 days (in member hospital)		Full Coverage for first 90 days of confinement. 80% thereafter.	
Surgical	80%		Surgical Schedule Allowance plus 80% of charges in excess of allowance		Surgical Schedule Allowance plus 80% of charges in excess of allowance	
*Maternity	No change of Benefits (Treated same as Illness or injury.)		Regular Basic hospital and surgical-medical benefits, but no Supplemental (Maj. Med) Benefit unless complications		Up to \$30/day for all hospital charges for up to 8 days.	
			\$112 Normal Del \$ 77 Miscarriage \$296 Cesarean		\$100 for Normal Del. \$150 for Cesarean \$ 50 for Miscarriage & \$ 20 for Anesthetist	
*No benefits payable under single enrollment						

ADDITIONAL MONTHLY COST TO IMPROVE BENEFITS

<u>To Increase Daily Hospital R & B Rate:</u>	<u>Family</u>	<u>Single</u>
From \$40 to \$50	\$2.76	\$1.06
From \$40 to \$45	1.51	.58
<u>To Revise Surgical Schedule:</u>		
From 1957 Study to 1964 Study	\$.86	\$.28
<u>To Increase Maternity Daily Hospital Allowance:</u>		
From \$30 to \$40	\$.43	*
From \$30 to \$35	.21	*
<u>To Increase Maternity Medical Allowance:</u>		
From \$100 to \$200 for Normal Delivery		
From \$150 to \$400 for Cesarean Section		
From \$ 50 to \$100 for Miscarriage	\$.85	*
<u>To Add Basic Benefit Allowance for In-Hospital Medical Care:</u>		
For a benefit of \$12.00 first day		
8.00 second day		
5.00 each subsequent day	\$1.02	\$.43
or		
For a straight allowance of \$5 per day	.83	.35

*No Maternity Benefits payable under Single Enrollment

COST OF A SINGLE BENEFIT PROPOSAL

<u>BENEFIT</u>	<u>MONTHLY COST</u>		<u>BI-WEEKLY COST</u>	
	<u>Family</u>	<u>Single</u>	<u>Family</u>	<u>Single</u>
\$50 per day Room and Board Allowance	\$ 2.76	\$1.06	\$ 1.27	\$.49
Improved Surgical Allowance	.86	.28	.40	.13
Improved Maternity Benefits				
\$40 per day for Hospital plus	.43	--	.20	--
Increased Medical Allowance	.85	--	.39	--
	<hr/>	<hr/>	<hr/>	<hr/>
Total Increase in Cost:	\$ 4.90	\$1.34	\$ 2.26	\$.62
Current Cost:	18.07	5.98	8.34	2.76
Total New Cost:	\$22.97	\$7.32	\$10.60	\$3.38
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CURRENT RATES (Hi Option)				
Blue Cross-Blue Shield:	\$20.58	\$8.43	\$ 9.50	\$3.89
Aetna:	20.15	8.06	9.30	3.72

SEMI-PRIVATE ROOM RATES
WASHINGTON, D. C. METROPOLITAN AREA
(As of 19 January 1968)

Alexandria (Old)	\$35.00
Alexandria (New)	\$40.00
Arlington	\$42.00-47.00
Cafritz	\$46.00
Casualty	\$37.00
Childrens	\$55.00-57.00 Ward \$48.00
Circle Terrace	\$42.00
Columbia	\$46.00
Doctors	\$44.00
Fairfax	\$44.00
Georgetown	\$43.00-45.00
Hadley	\$41.00-42.00
Holy Cross	\$47.00
Jefferson Memorial	\$44.00
Leland Memorial	\$39.00
National O & R	\$42.00
North Virginia	\$43.00
Prince George	\$41.00-39.00
Providence	\$42.00-40.00
Sibley	\$39.50
Suburban	\$45.00
Washington Hospital Center	\$42.50-44.00

Washington Sanitarium

\$44.00